



Young People's
Learning Agency

16-19 Bursary Fund Audit Guidance and Working Papers 2011/12

December 2011

For guidance

This guidance is for action by: local authority chief financial officers

It is of interest to: local authority directors of children's services, local authority heads of children's services finance and local authority heads of internal audit

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1. Introduction

1. This document sets out the Young People's Learning Agency's (YPLA) Audit Guidance (the Guidance) for local authorities on gaining assurance over the funding paid to them in respect of the 16-19 Bursary Fund during 2011/12. It is addressed to all local authorities in receipt of YPLA funding and will be of interest to local authority chief financial officers, directors of children's services, heads of children's services finance and heads of internal audit.

2. It is, however, important for local authorities to note that this Guidance is **not mandatory** on them. Local authorities **must** consider the risks to funding and the need for assurance in respect of their own direct provision, including local authority maintained schools with sixth forms, but it is for chief financial officers to determine whether and how any work should be undertaken to enable them to make their grant returns to the YPLA. The use of all, part or none of this Guidance is entirely at their discretion.

2. Audit Guidance

3. The purpose of the proposed audit approach set out in this Guidance is to gain assurance that the provider has an appropriate system of controls in place to effectively administer 16-19 Bursary Fund payments to learners, thereby ensuring that these payments are made in accordance with YPLA requirements set out in:

- *16-19 Bursary Fund – Guide for 2011/12*, published in June 2011, and
- *16-19 Bursary Fund - Questions & Answers for Schools, Academies, Colleges, Training Providers and Local Authorities* (this document is subject to frequent updates).

4. It is important that auditors fully familiarise themselves with the aforementioned documents, which are available on the YPLA website at:

http://readingroom.lsc.gov.uk/YPLA/ypla_16-19_Bursary_Fund_Guide_for_2011-12-gn-Jun11-v1.pdf

http://readingroom.ypla.gov.uk/ypla/ypla-16-19_bursary_fund_provider_qa-br-sep11-v7.pdf

5. It is suggested that, where possible, local authorities should consider an integrated approach to individual audits at providers; that is, undertaking the audit of Bursary funding when they visit a provider to perform audit work in other areas, for example, the funding audit at maintained school sixth forms.

6. Assurance over Bursary funding may be obtained in a number of different ways, for example, controls review/evaluation with walkthrough/compliance testing and/or the substantive testing of individual learners. It is entirely at the discretion of individual local authorities which type of audit testing, or combination of testing, they choose to undertake.

7. To assist local authority auditors, a brief controls questionnaire is provided in section 3 below; this may be completed through discussions with the provider. Identified control

weaknesses and suggestions for improvement should be reported to the provider through the completion of section 6 below.

8. In addition, a suggested substantive testing programme is included at section 4 below, for use by local authorities which decide to undertake this type of testing as part of their audit approach. The number of learners to be included in the substantive testing sample should be determined by the local authority auditors.

9. Section 5 of the working papers may be used to record any actual payment errors which are identified, and the auditor should determine whether any recovery action has been carried out by the provider. Examples of funding errors are as follows:

- Learners in receipt of a bursary (for vulnerable groups or discretionary) do not satisfy the general eligibility requirements
- Bursaries for vulnerable groups are paid to learners who do not satisfy the specific eligibility requirements for receipt of this type of bursary
- Payments made are not in accordance with the supporting documentation covering the bursary application and award
- Payments made are not supported by any documentation
- Agreed standards have not been set by the provider re attendance or behaviour.

10. Lastly, further guidance may be obtained from the YPLA External Assurance team by sending an email to afm@ypla.gov.uk.

WORKING PAPERS

3. Controls Questionnaire

	Satisfactory? Y/N	Comments where control is not satisfactory (include recommendation in feedback notes)
Provider controls review		
Through discussion and observation determine the following:		
1. General Questions		
1.1 Are the management, staffing and organisational arrangements in place for administering the 16-19 Bursary Fund, including payment arrangements (see <i>Bursary Guidance 2011/12, paras 20-21</i>), satisfactory?		
1.2 In particular, does the provider have administrative procedures in place to record Bursary applications and awards, including:		
i. number		
ii. type (ie for vulnerable groups or discretionary)		
iii. value		
iv. purpose		
v. whether awarded or not		
vi. details of how payment(s) will be made		
vii. brief justification?		
(See <i>Bursary Guidance 2011/12, para 31</i>).		
1.3 Has the provider developed a statement on how they will administer and distribute their Bursary funds, which is available to both young people and the YPLA (this should include criteria for eligibility for discretionary bursaries and for deciding the level of awards)? (See <i>Bursary Guidance 2011/12, paras 4(ii), 10, 15, 18 and 28</i>).		
1.4 Where provision is offered from more than one location, or through sub-contracts, does the provider ensure that any learner attending such provision is able to apply for Bursary funding? (See <i>Bursary Guidance 2011/12, para 26</i>).		

	Satisfactory? Y/N	Comments where control is not satisfactory (include recommendation in feedback notes)
Provider controls review		
<p>1.5 Are satisfactory controls in place for ensuring the accurate recording, storage and security of Bursary evidence and data adequate?</p> <p>1.6 Does the provider keep under review the <i>Questions & Answers</i> document on the YPLA website, which provides additional guidance on the operation of the Bursary Fund?</p> <p>2. Key Controls</p> <p>2.1 Are satisfactory controls in place to ensure that the provider has checked that Bursary learners satisfy the following general Bursary eligibility requirements:</p> <ul style="list-style-type: none"> i. Learners are aged 16-18 on 31 August in the academic year in which they start their programme of study (note - only in exceptional circumstances should providers pay bursaries to younger learners, eg those following an accelerated programme) (<i>See Bursary Guidance 2011/12, para 7</i>). ii. Learners satisfy the residency criteria in section 3 of the document <i>YPLA Funding Guidance 2011/12: Funding Regulations</i> iii. Learners are participating in provision which is subject to inspection by a public body which assures quality (eg Ofsted) and is funded by the YPLA, or the European Social Fund, or otherwise publicly funded, and leads to a qualification (up to level 3) either accredited by Ofqual or pursuant to Section 68 of the Learning and Skills Act 2000? (<i>See Bursary Guidance 2011/12, para 8</i>). <p>2.2 Are satisfactory controls in place to ensure that the provider has sought appropriate evidence of eligibility from those learners in receipt of the £1,200 Bursary for vulnerable groups (eg a letter setting out the benefit to which the young person is entitled or written confirmation from the local authority of the learner's current or previous looked-after status)? (<i>See Bursary Guidance 2011/12, paras 4(i) and 11</i>).</p> <p>2.3 Is receipt of a Bursary conditional on learners meeting agreed standards set by the provider (eg relating to attendance and/or standards of behaviour)? (<i>See Bursary Guidance 2011/12, para 6</i>).</p>		

4. Substantive Tests

Learner		Learner Reference Number	1. Is evidence held to confirm that the learner satisfies the general eligibility criteria (see <i>Guidance, paras 7-8, and Funding Regulations 2011/12, section 3</i>) and, where applicable, the specific criteria relating to the Bursary for vulnerable groups (see <i>Guidance, paras 4(i) and 11</i>)?	2. For the Bursary awarded, has the provider recorded the total value, purpose, brief justification and details of how payment(s) will be made (see <i>Guidance, para 31</i>)?	3. Is there a copy of the standards agreed by the provider with the learner (eg relating to attendance and/or standards of behaviour) (see <i>Guidance, para 6</i>)?	4. Has the Bursary been paid to the learner as agreed?	Comments
1							
2							
3							
etc							

5. Error Schedule: Actual Funding Errors Identified

[illegible]

6. Feedback and Recommendations

16-19 Bursary Fund Audit Feedback Notes		
Audit findings and suggestions for improvement	Agreed? Yes/No	Provider's comments

Prepared By: (Name & Position)	Date:
Received By: (Name & Position)	Date:

Young People's Learning Agency
Cheylesmore House
Quinton Road
Coventry
CV1 2WT
0845 337 2000
ypla.gov.uk

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